

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

HOFFMANS TRADE GROUP LLC,

Debtor.

Chapter 7
Case No. 13-11662-REL

MARC S. EHRLICH, AS TRUSTEE FOR
HOFFMANS TRADE GROUP, LLC,

Plaintiff,

Adv. Pro. No.15-90020

v.

JP MORGAN CHASE BANK, N.A.,

Defendant.

**MOTION FOR AN ORDER AUTHORIZING
SETTLEMENT PURSUANT TO F.R.B.P. 9019(a)**

Chapter 7 Trustee, Marc S. Ehrlich (the “Trustee”), by and through his special counsel, Deily & Glastetter, LLP, pursuant to Federal Rule of Bankruptcy Procedure 9019(a), respectfully moves this Honorable Court, to approve a compromise entered into by the Trustee with respect to certain fraudulent conveyance actions against Defendant JP Morgan Chase, outlined more fully below, and to enter an Order accompanying this Motion approving the compromise. In support of this 9019 Motion, the Trustee respectfully states as follows:

1. On June 28, 2013 (the “Petition Date”), Debtor, Hoffmans Trade Group LLC (hereinafter the “Debtor”), entered bankruptcy through the filing of an involuntary petition under Chapter 7 of Title 11 of the United States Code in the Bankruptcy Court for the Northern District of New York, which was thereafter amended on July 19, 2013.

2. The Debtor did not contest the involuntary filing and on August 2, 2013, the Court entered the Order for Relief. Thereafter, on August 5, 2013, the Court appointed Marc S. Ehrlich, Esq. as Chapter 7 Trustee.

3. Deily & Glastetter, LLP was retained as Special Counsel to the Trustee by Order dated December 11, 2013.

4. Trustee's counsel sought and obtained Orders to produce bank records from various financial institutions where the Debtor maintained business records. Trustee's counsel conducted a thorough review of each and every line item in each and every bank account. Trustee's counsel discovered payments from the corporate debtor's bank accounts to JP Morgan Chase (hereinafter "Chase"). Chase received \$123,103.47 from the debtor. However, the debtor did not have any financial obligations to Chase; Chase held a mortgage on the personal residence of Gael and Karen Coakley. The debts being paid by the debtor were those of the principal, Gael Coakley. The Trustee served a summons and complaint and Chase answered. Informal discovery was shared with Chase. After negotiations with counsel for Chase, the Trustee has resolved the matter for a settlement of \$98,472.78 (which represents 80% of the claimed \$123,103.47). The Trustee has entered into a settlement agreement with Chase which is attached hereto as Exhibit "A" which more fully details the agreement between the parties, subject to this Court's approval.

5. The Trustee has exercised his business judgment in determining that this matter is settled for the highest and best amount that could be recovered without further encumbering the Estate with additional administrative legal expenses inherent with litigation. It is the Trustee's business judgment that these settlements reflect the best interest of the creditors of this Debtor's Estate.

6. The Trustee recommends this settlement to the Court for approval.

WHEREFORE, the Trustee requests the Court approve the settlements outlined hereinabove and authorize and empower the Trustee to settle and compromise the action on the terms outlined herein; and for such other and further relief as the Court deems just and proper.

Dated: October 15, 2015
Albany, New York

DEILY & GLASTETTER, LLP

/s/ Leigh A. Hoffman
Leigh A. Hoffman, Esq.
Attorneys for Chapter 7 Trustee, Marc S. Ehrlich
8 Thurlow Terrace
Albany, New York 12203
Telephone (518) 436-0344
Facsimile (518) 436-8273
Email: lhoffman@deilylawfirm.com